

Bar Program - SWOT

Strengths

- Quality Promotions
- Agencies to Execute
- 36 Markets - All Brands

Opportunities

- New Trade Class
- Smoker Friendly
- New Advertising Opportunity
- Long Term Visibility

Weakness

- Bars Want Customized Promotion
- Timing
- Number of Bars per Market

Threats

- Camel has Increased the Price of Entry
- Cluttered Environment
- No Two Bars are the Same

2040147005

RJR Program: Competitive Review

Camel

- Seven Key Markets
- 30-50 Bars Per Market

Actual Program

- Name Generation
- Cash Payments (750 - 15,000/yr.)
- Free Product for Staff and Bar Patron Sampling
- Customized Soft Goods
- Customized Incentives for Bar
- Permanent Signage
- Expensive Customized Incentives for Bar Management/Staff
- Dedicated Camel Representative in Each Market
- Pop - Camel "Classifieds" (Red Kamel)
- Media Partnerships (Vibe)

2040147006

RJR Program: Competitive Review (Cont.)

Additional Bar Promotions

- American Pool Player's Association
 - Increase sponsorship commitment to \$1,000,000
 - Sponsorship of Singles Championship in 6,000 taverns

Moonlight Club Activities

- Program in its Genesis
 - Focus in three key markets: NYC, Chicago, Seattle
 - Product sale
 - Temporary visibility: ashtrays; coasters; posters; postcards

2040147007

Bars Rejecting PM Program in Favor of RJR

Club B & H Program

- Los Angeles
 - The Troubador
 - The Roxy
 - The Century Club
- Chicago
 - Kaboom
 - Elbow Room
 - The Green Dolphin

Marlboro

- NYC
 - Coney Island High
 - Doc Holiday's
 - Palladium
 - Rebar
 - The Roxy
 - Tunnel
 - China Club
- CHICAGO
 - Drink
 - Kaboom
 - Excalibur

In Jeopardy:

- NYC (6)
- CHICAGO (18)

Total current clubs lost to Camel: **29**

Total future clubs in 6 markets in jeopardy due to RJR contract: **51**

2040147008

MARKETS

RJR

Chicago
Dallas
LA
Houston
NYC
Seattle
Miami

B & H

Chicago
Dallas
LA
Houston

PARLIAMENT

NYC
Miami

MARLBORO

Chicago
Dallas
LA
Houston
NYC
Seattle
Miami

VS

Dallas
NYC
Chicago

PNC

NYC
Seattle

2040147009

NEW YORK CITY

<u>B & H</u>	<u>Marlboro</u>	<u>Parliament</u>	<u>Player's</u>	<u>VS ('97)</u>	<u>Camel</u>
TBD	Baja Copacabana Denim & Diamonds Esso J. Sprats Dining Saloon Le Bar Bat Les Poulets Malibu Metropolis Mirage Pastels Rock Ridge Saloon	Australia Bear Bar Casey's Malibu - Long Island Moran's Polly Esther's Sprats - Long Island The Big Easy - Long Island The Outback Webster Hall Who's on First Le Bar Bat	Bowery Bar Buddha Bar Dakota Merck Bar Mercury Lounge Notel Motel The Match The Knitting Factory Defour Sidewalk Cafe	TBD	Babyland Bob Buddha Bar Casa La Femme Coney Island High Continental Divide Dama Den of Thieves Doc Holiday's Documents & Manifesto Don Hills Downtime Eros Flowers Fredericks Jackie 60 Limelight Lucky Chang Naked Lunch Nation Nice Guy Eddie's Notel Motel Nuts & Bolts Palladium Rebar Robots Sapphire Lounge S.O.B.'s ST The Crow The Bowling Club The Roxy Three Degrees North Tunnel Wonder Bar

2040147010

CHICAGO

B & H

Cubby Bear
Knight Club
Park West
The Clique
The Cotton Club
The Green Dolphin

Marlboro

Alumni Club
Baja Beach Club
Bub City
Cadillac Ranch
Club Vertigo
Dumas Walker's
Hi Tops Cafe
Lakeview Links
Lime Ricky's
North Beach
Slugger's
Venus
Whiskey River

Parliament

TBD

Player's

N/A

VS ('97)

TBD

Camel

Angelina's
Augenblick
Blue Note
Borderline
Buddy Guy's Legends
Cafe Absinthe
My Sister's House
Crobar
Dalmation Lounge
Delilahs
Double Door
Dragonfly
Drink
Elbo Room
Elixir
Excalibar
Exit
Frank's
Kaboom
Kerouac Jack's
Koko Taylor's
Lava Lounge
Lounge Ax
Lucky's
Mad Bar
Martini Ranch
Neo
Nick's
OO-La-La
Ouzeri
Red Dog
Shelter
Subterranean
Sweet Alice
Third Coast
Vinyl

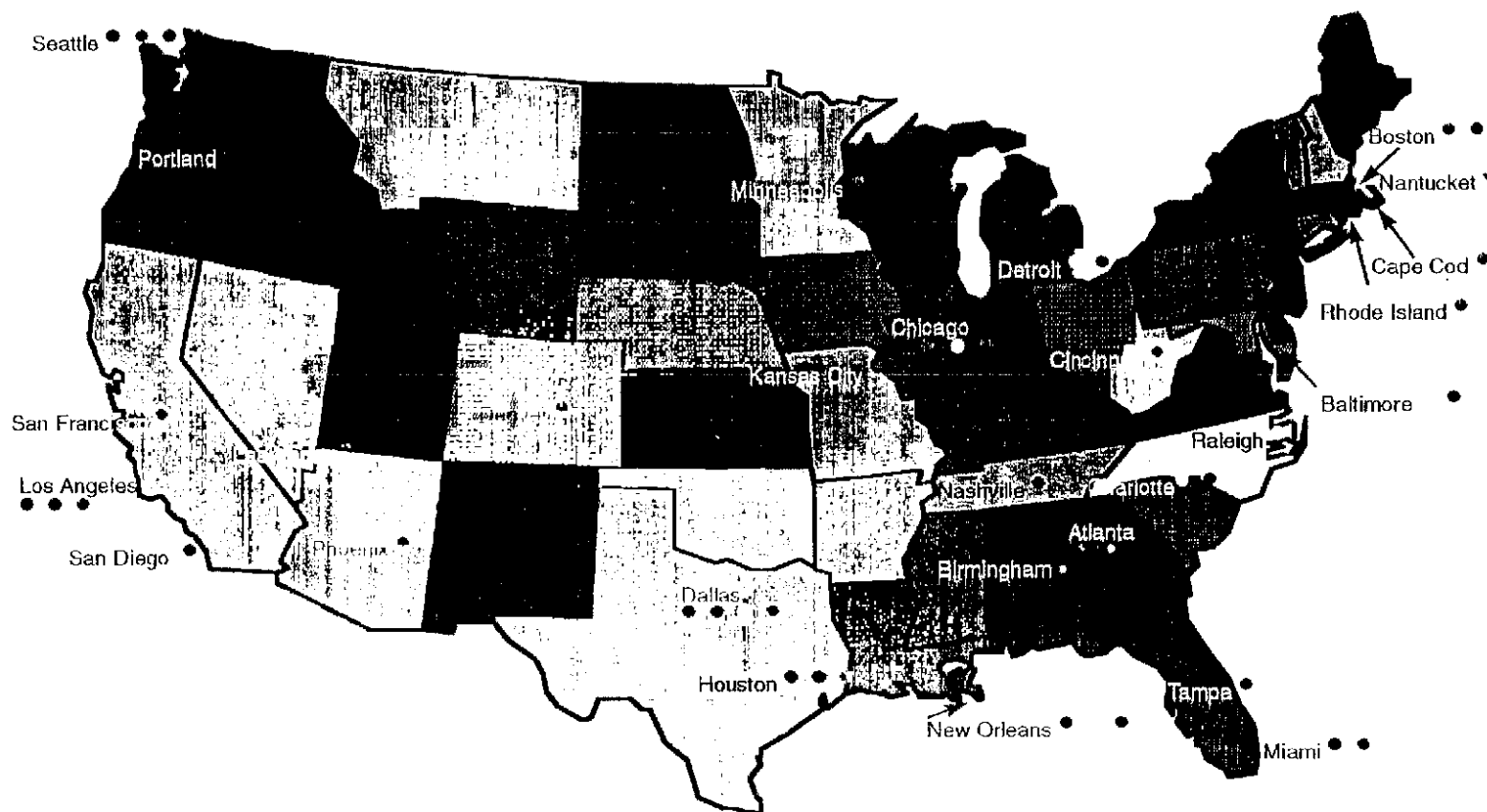
2040147011

Bar Markets

City	RJR		Philip Morris				
	Camel	Moonlight	B&H	Player's	Parliament	VS	Marlboro
Atlanta			√			√	√
Baltimore						√	√
Birmingham						√	
Boston					√		√
Buffalo							√
Cape Cod					√		
Charlotte						√	√
Chicago	√		√			√	√
Cincinnati							√
Dallas	√		√			√	√
Denver							√
Detroit						√	√
Fire Island					√		
Hamptons					√		
Houston	√		√				√
Kansas City							√
Las Vegas							√
Los Angeles	√		√				√
Miami	√						√
Minneapolis							√
Nantucket					√		
Nashville							√
New Orleans			√			√	√
New York City	√	√		√	√	√	√
North Jersey					√		
Philadelphia					√		
Phoenix							√
Pittsburgh				√			√
Portland							√
Raleigh						√	
Rhode Island					√		
San Diego							√
San Francisco							√
Seattle	√	√		√			√
South Jersey					√		
Tampa							√

2040147012

United States Markets

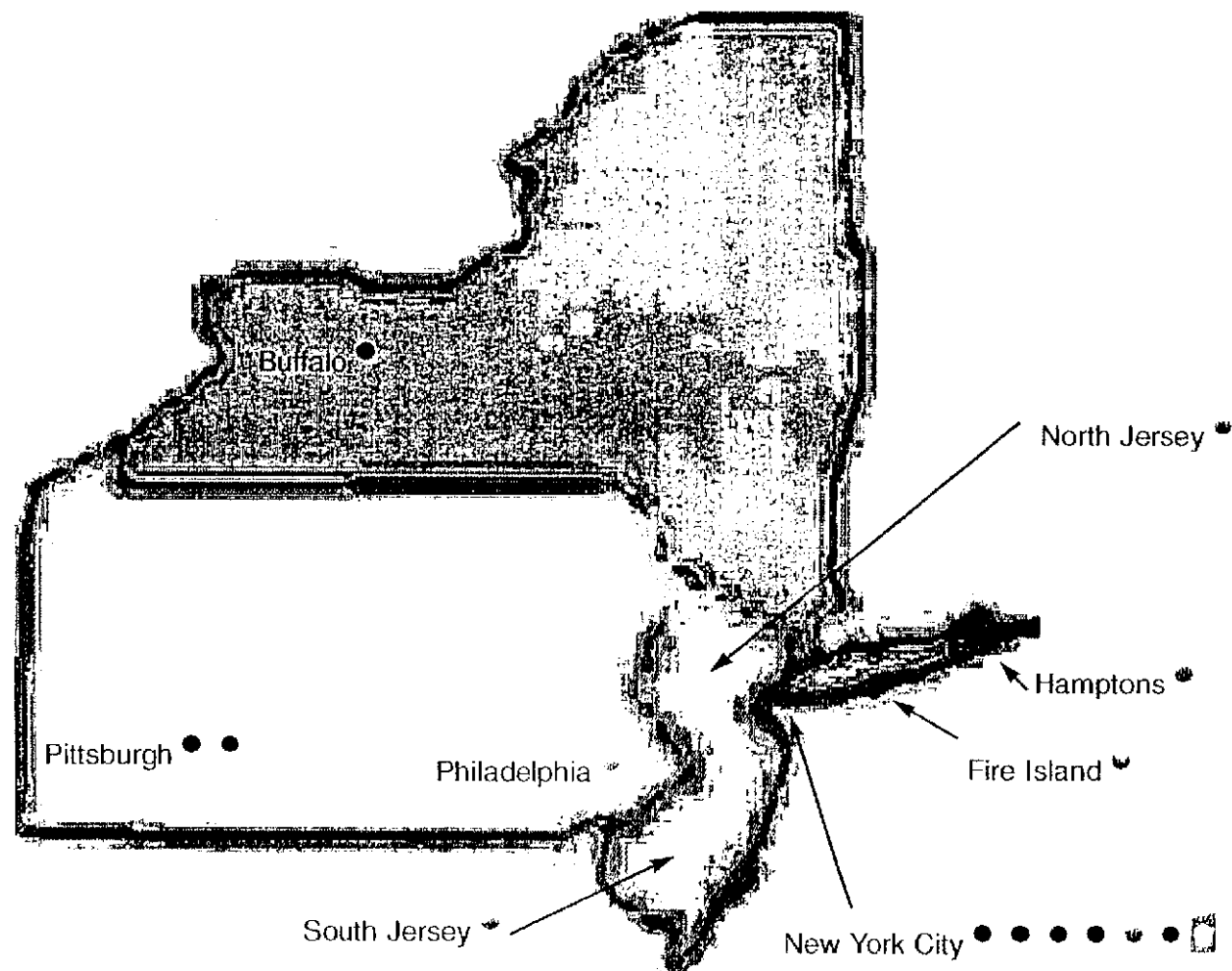


- Camel
- Moonlight
- B & H

- Player's
- Marlboro

2040147013

Mid-Atlantic Markets



- Camel
- Moonlight
- B & H
- Player's
- Marlboro
- Parliament

© 1994 B&W T Co.

2040147014

Bar Partners Program Recommendation

To Maximize YAS Smoker Reach and Bar Penetration

- Develop and implement a flexible and modular "Bar Partners Program" that will establish mutually beneficial relationships with bar owners and include exclusive back-bar PM product distribution, on-going visibility, promotional pulses and events.
- Create a Data Base - Top 50 Markets
- Club Contracts
 - Exclusive sales of PM products
 - Back bar merchandiser
 - Permanent POS: Designed to fit each club decor
 - Wall mural
 - On-going soft goods supply
 - In market representative to service accounts
 - Promotions in locations that can handle
 - Long term partnership
 - * Program designed similar to Retail Masters
 - * Reward for performance
 - * Contract evaluation process
 - Alternative ROP
 - * Weekly "Marlboro" page highlighting the relevant bar news
 - Portfolio strategy
 - Construct defensive strategy in RJR Markets
 - Solicit Sales Force input

2040147015

Issues:

- Cash Payments to Bars?
- Co-Promoting with Bars?
- Is there a Problem for Management Going to Same Bars with Different Brands?
- PM Contract or Brand Specific?
- Short Term Fix

2040147016